

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

9 5 — 1 7

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

June 30, 1995

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR

7. FEDERAL BUDGET IMPACT:

a. FFY 95 \$ 0
b. FFY 96 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att 4-19D, Page 68

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Att 4-19D, Page 48

10. SUBJECT OF AMENDMENT: Updating provision of the Prospective Reimbursement Plan for
Nonstate-Operated Facilities for ICF/MR Services. This proposed amendment
removes the six month timeframe for conducting desk reviews of cost reports.

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

16. RETURN TO:

13. TYPED NAME:

Gary J. Stangler

14. TITLE: Director, Department
of Social Services

Division of Medical Services
615 Howerton Court
Jefferson City, MO 65109

15. DATE SUBMITTED:

June 28, 1995

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
06/30/95

18. DATE APPROVED:
JUN 06 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

6/30/95

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

ARA for Medicaid & State Operations

23. REMARKS:

cc:
Martin
Vadner

SPA CONTROL

Date Submitted 06/29/95

Date Received 06/30/95

documentation of the data associated with the cost report must be retained for seven (7) years from the cost report filing date.

(D) Accounting Basis

1. The cost report submitted must be based on the accrual basis of accounting.

2. Governmental institutions that operate on a cash or modified cash basis of accounting may continue to use those methods, provided appropriate treatment of capital expenditures is made.

(E) Audits

1. Cost reports shall be based upon the provider's financial and statistical records which must be capable of verification by audit.

2. If the provider has included the cost of a certified audit of the facility as an allowable cost item to the plan, a copy of that audit report and accompanying letter shall be submitted without deletions.

3. The annual cost report for the fiscal year of the provider may be subject to audit by the Department of Social Services or its contracted agents. Twelve (12)-month cost reports for new construction facilities required to be submitted under section (4) of this rule may be audited by the department or its contracted agents prior to establishment of a permanent rate.

4. The department will conduct a desk review of all cost reports after submission by the provider and shall provide for on-site audits of facilities wherever cost variances or exceptions are noted by their personnel.

5. The department shall retain the annual cost report and any working papers relating to the audits of these cost reports for a period of not less than seven (7) full years from the date of submission of the report or completion of the audit.

6. Those providers having an annual Title XIX bed-day ratio on total bed-days or certified beds of greater than sixty percent (60%) and/or an annual Title XIX payment of two hundred thousand dollars (\$200,000) or more shall be required, for at least the first two (2) fiscal years of participation in the plan, to have an annual audit of their financial records by an independent certified public accountant. The auditor may issue a qualified audit report stating that confirmations of accounts receivable and accounts payable are not required by the plan. For the purposes of the paragraph, the Department of Social Services will only accept an unqualified opinion from a certified public accounting firm. A copy of the audit report must be submitted to the department to support the annual cost report of the facility.

APPENDIX

Findings and Assurances

In conformity with the Title 42 CFR Section 447.253(a) and (b), the Department of Social Services/Division of Medical Services (DSS/DMS) makes the following findings and assurances:

- o ICF-MR rates of payment have been found to be reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
- o The estimated weighted average proposed payment rate is reasonably expected to pay no more in the aggregate for ICF-MR, Long-Term Care services to state-operated facilities than the amount that the agency reasonably estimates would be paid for the services under the Medicare principles of reimbursement.
- o The estimated weighted average proposed payment rate is reasonably expected to pay no more in the aggregate for ICF-MR, Long-Term Care services to non-state-operated facilities than the amount that the agency reasonably estimates would be paid for the services under the Medicare principles of reimbursement.
- o DSS/DMS provides long-term care facilities with an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review of payment rates with respect to such issues as DSS/DMS determines appropriate.
- o DSS/DMS requires the filing of uniform cost reports by each participating provider.
- o DSS/DMS provides for periodic audits of the financial and statistical records of participating providers.
- o DSS/DMS has complied with the public notice provisions of 42 CFR 447.205(d)(2)(ii).
- o DSS/DMS pays for long-term care services using rates determined in accordance with methods and standards specified in the approved State Plan.

State Plan TN # 95-17
Supersedes TN # _____

Effective Date: 6/30/95
Approval Date: JUN 06 2001

- o The payment methodology used by the State for payments to ICF-MR facilities for medical assistance beginning January 1, 1990 can reasonably be expected not to increase payments solely as a result of a change of ownership in excess of the increase which would result from application of 42 U.S.C. 1861 (v)(1)(0) of the Social Security Act for all changes of ownership which occur on or after July 18, 1984, except for those changes made pursuant to an enforceable agreement executed prior to that date.
- o Section (2)(B)3 ICF-MR of the State's Prospective Reimbursement Plan for Non-State Operated Facilities for ICF-MR services provides that a change in ownership/management of a facility is not subject to review for rate reconsideration. Under the State's current methodology, ICF/MR payment rates do not increase as a result of a change in ownership.
- o The state assures that valuation of capital assets for purposes of determining payment rates for long-term care facilities will not be increased, solely as a result of a change of ownership, by more than as may be allowed under section 1902 (a)(13)(C) of the Act.
- o Except for preadmission screening for individuals with mental illness and mental retardation under Section 483.20(f), the methods and standards used to determine payment rates takes into account the costs of complying with the requirements of Part 483 Subpart B.
- o The methods and standards used to determine payment rates provide for an appropriate reduction to take into account the lower costs (if any) of the facility for nursing care under a waiver of the requirement in Section 483.30(c) to provide licensed nurses on a 24-hour basis.
- o The State establishes procedures under which the data and methodology used in establishing payment rates are made available to the public.

Related Information

In conformity with Title 42 CFR Section 447.255, DSS/DMS is submitting with the findings and assurances the following related information:

- o DSS/DMS has determined a projected weighted average per diem rate for ICF-MR, long-term care providers after the effective date of the proposed plan amendment.

Provider Type	Before 06/30/95	After 06/30/95	Increase/ Decrease
Non-State-Operated ICF/MR	\$132.03	\$132.03	\$0

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- o DSS/DMS estimates there is no significant impact resulting from the change, either in short-term or long-term effects, as affecting -
 - (1) The availability of services on a statewide and geographic area basis;
 - (2) The type of care furnished; and
 - (3) The extent of provider participation

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